

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE REALIGNMENT OF THE
NATIONAL AIRBORNE OPERATIONS CENTER TO
WRIGHT-PATTERSON, AIR FORCE BASE, OHIO**

Report No. 96-154

June 10, 1996

Department of Defense

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Acronyms

BRAC
MILCON

Base Realignment and Closure
Military Construction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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ARLINGTON, VIRGINIA 22202-2884



Report No. 96-154

June 10, 1996

MEMORANDUM FOR ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit of Defense Base Realignment and Closure Budget Data for the
Realignment of the National Airborne Operations Center to
Wright-Patterson Air Force Base, Ohio (Project No. 6CG-5001.44)

Introduction

We are providing this audit report for your information and use. The audit was required by Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991. Enclosure 1 provides details on the history of the Defense base realignment and closure (BRAC) process and on our auditing and reporting requirements.

This report is one in a series of reports about FY 1997 BRAC military construction (MILCON) costs. The report provides the results of the audit of a project, valued at \$3.7 million, for the realignment of the National Airborne Operations Center (the Center) from Grissom Air Force Base, Indiana (Grissom), to Wright-Patterson Air Force Base, Ohio (Wright-Patterson). See the section, "Prior Audits and Other Reviews," on the next page for a summary of a prior report on the realignment.

Audit Results

The Air Force properly programmed requirements and estimates for project ZHTV943204A, "Base-Closure National Airborne Operations Center Complex." The Air Force based project requirements contained in the DD Form 1391, "FY 1997 Military Construction Project Data," on the renovation of existing facilities. The Air Force supported project estimates with adequate cost data.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed project was a valid BRAC requirement, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. The audit also assessed the adequacy of the management control program as it applied to the overall audit objective. The management control program objective will be discussed in a summary report on FY 1997 BRAC MILCON budget data.

Scope and Methodology

Scope of This Audit. We examined the FY 1997 BRAC MILCON budget request, economic analysis, and supporting documentation for space requirements for the project regarding the realignment of the Center from Grissom to Wright-Patterson. We did not use computer-processed data or statistical sampling procedures to conduct this audit. See Enclosure 1 for additional information on the overall scope of the audit of BRAC MILCON costs.

Audit Period, Standards, and Locations. This economy and efficiency audit was conducted in March 1996 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Enclosure 3 lists the organizations visited or contacted during the audit.

Prior Audits and Other Reviews

The Office of the Inspector General, DoD, is performing various audits of the BRAC process. This report is one in a series of reports about FY 1997 BRAC MILCON cost. Enclosure 2 contains a summary of prior coverage related to the audit objectives.

One of the reports summarized in Report No. 96-093, listed in Enclosure 2, Inspector General, DoD, Report No. 95-257, "Defense Base Realignment and Closure Budget Data for the Realignment of the National Airborne Operations Center Forward Operating Base From Grissom Air Force Base, Indiana, to Wright-Patterson Air Force Base, Ohio," June 27, 1995, states that the Air Force did not justify the \$8.5 million in requirements and cost estimates relating to the realignment of the Center Forward Operating Base to Wright-Patterson Air Force Base, Ohio. The report recommended that the Deputy Assistant Secretary of the Air Force (Military Installations) direct the Commanders, Air Combat Command and Air Force Materiel Command, to certify the most efficient and economical facilities available for the realignment of the Center. The report also recommended that the Commander, Air Combat Command, revise and resubmit valid DD Forms 1391 for projects relevant to the realignment. We examined the new estimates as part of the audit of FY 1997 BRAC budget data.

Audit Background

The Center is one of four military command centers that support the National Command Authorities (President and Secretary of Defense) and the Chairman of the Joint Chiefs of Staff. The Center is located on an E-4B aircraft. The E-4B aircraft that supports the Center provides the communications equipment on board that is necessary to communicate around the world using a network of satellites, air-to-air and air-to-ground communications, and commercial telephone systems.

The project for the Center was developed as a result of the Secretary of Defense 1991 BRAC plan that recommended the realignment of the Center from Grissom to Wright-Patterson. The Center aircraft is expected to be at Wright-Patterson six scheduled days each month and one unscheduled day each month. The support needed for the Center includes alert crew billeting, maintenance support for the aircraft, and aircraft parking.

Discussion

The Air Force proposed the renovation of various facilities at Wright-Patterson because interim facilities were not adequate to support the Center's mission at Wright-Patterson. The Air Force has used interim facilities since the Center began conducting alert crew operations at Wright-Patterson in November 1994.

The Center project, estimated to cost \$3.7 million, is for renovation of a 24,158-square-foot facility for alert crew billeting and the renovation of a 12,338-square-foot facility for maintenance of the E-4B aircraft. Other costs included in the Center project were for the renovation of the flightline for parking the E-4B aircraft. Project estimates were adequately supported for the mission of the Center while at Wright-Patterson. Supporting documentation included current cost data and an economic analysis that showed that the renovation of existing facilities would be the best alternative.

Alert Crew Billeting. Building 259, which is proposed for renovation to house the alert crew, is located right across the street from the flightline. The Center's mission has time constraints for full deployment that dictate that the alert crew billeting facility be located close to the flightline. The Air Force personnel decided not to use building 1217, the interim alert crew billet, because it was not close enough to the flightline and the driving time to the aircraft was unacceptable. In addition, the life-cycle cost for the continued operation of building 1217 was twice that of new construction or renovation of building 259.

Facility Renovation for Aircraft Maintenance. Building 152, which is proposed for renovation as a maintenance facility, is closer to the flightline aircraft parking area and is less expensive to renovate than the temporary facility in use. Currently, the Air Force is using building 109 as a temporary facility for maintenance support of the E-4B aircraft. However, building 109 is very old, is not close to the flightline, and its renovation would not be cost-effective. The cost to renovate building 109 is estimated to be \$700,000, and the cost to renovate building 152 is estimated to be \$270,000, a cost difference of \$430,000.

Flightline Renovation for Aircraft Parking. The Air Force proposed to make improvements to the E-4B aircraft parking area. The proposed changes includes realigning taxi lighting, building two equipment pads, and providing utilities to the aircraft. This renovation would allow for easy access to and from the ramp and the least impact on Wright-Patterson's transient aircraft parking. Part of the Center's mission is to deploy aircraft within the shortest time possible. The current procedure hampers the ability of the Air Force to achieve its mission

because the E-4B aircraft has to circle around the parked vehicles before it begins to taxi. Also, the proposed plan will save \$670,000, while increasing safety and the efficiency of the operation.

Adequacy of Project Requirement Documentation. Project estimates were adequately supported. The Air Force considered alternatives, including existing facilities. Therefore, this report makes no recommendations.

Management Comments

We provided a draft of this report on May 3, 1996. Because this report contains no findings or recommendations, comments were not required, and none were received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Ms. Kimberley A. Caprio, Audit Program Director, at (703) 604-9248 (DSN 664-9248) or Ms. Carolyn R. Milbourne, Audit Project Manager, at (703) 604-9214 (DSN 664-9214). Enclosure 5 lists the distribution of this report. The audit team members are listed inside the back cover.



David K. Steensma
Deputy Assistant Inspector General
for Auditing

Enclosures

Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1997 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Background of Defense Base Realignment and Closure and Scope of the Audit of FY 1997 Defense Base Realignment and Closure Military Construction Costs

Overall Audit Selection Process. We reviewed the FY 1997 BRAC MILCON \$820.8 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group. We also reviewed those FY 1996 BRAC MILCON projects that were not included in the previous FY 1996 budget submission, but were added as part of the FY 1997 BRAC MILCON budget package.

Summary of Prior Audits and Other Reviews

Since 1991, numerous audit reports have addressed DoD BRAC issues. This appendix lists the summary reports for the audits of BRAC budget data for PHIS 1992 through 1996 and BRAC audit reports published since the summary reports.

Inspector General, DoD

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|--|--------------|
| 96-147 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Training Center Orlando, Florida, and Realignment of Maintenance and Storage Facilities to Taft U.S. Army Reserve Center, Orlando, Florida | June 6, 1996 |
| 96-144 | Defense Base Realignment and Closure Budget Data for the Realignment of Grissom Air Reserve Base, Indiana | June 6, 1996 |
| 96-142 | Defense Base Realignment and Closure Budget Data for the Closure of Bergstrom Air Reserve Base, Texas, and Realignment of the 10th Air Force Headquarters to Naval Air Station Fort Worth, Joint Reserve Base, Texas | June 5, 1996 |
| 96-139 | Defense Base Realignment and Closure Budget Data for the Closure of Griffiss Air Force Base and Realignment of Rome Laboratory and Northeast Air Defense Sector, Rome, New York | June 3, 1996 |
| 96-137 | Defense Base Realignment and Closure Budget Data for the Realignment of March Air Force Base, Riverside, California | May 31, 1996 |
| 96-136 | Defense Base Realignment and Closure Budget Data for the Closure of Gentile Air Force Station, Dayton, Ohio, and Realignment of Defense Logistics Agency Components to Wright-Patterson Air Force Base, Ohio | May 31, 1996 |
| 96-135 | Defense Base Realignment and Closure Budget Data for the Fleet Anti-Submarine Warfare Training Center Pacific, San Diego, California | May 30, 1996 |

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|---|--------------|
| 96-131 | Defense Base Realignment and Closure Data for Realigning Elements of Headquarters, Department of the Navy, to the Washington Navy Yard | May 28, 1996 |
| 96-128 | Defense Base Realignment and Closure Data for the Naval Training Center Great Lakes, Illinois | May 24, 1996 |
| 96-127 | Defense Base Realignment and Closure Budget Data for the Closure of Roslyn Air National Guard Base and Realignments to Stewart Air National Guard Base, New York | May 23, 1996 |
| 96-126 | Defense Base Realignment and Closure Budget Data for the Realignment of Rickenbacker Air National Guard Base, Ohio | May 21, 1996 |
| 96-122 | Defense Base Realignment and Closure Budget Data for the Realignment of the Air Education and Training Command at Vandenberg Air Force Base, California | May 17, 1996 |
| 96-119 | Defense Base Realignment and Closure Budget Data for the Construction of a Multiple Purpose Facility at Fort McCoy, Wisconsin | May 14, 1996 |
| 96-118 | Defense Base Realignment and Closure Budget Data for the Medical and Dental Clinic Expansion Project at Naval Weapons Station Charleston, South Carolina | May 13, 1996 |
| 96-116 | Defense Base Realignment and Closure Budget Data for the Relocation of Deployable Medical Systems to Hill Air Force Base, Ogden, Utah | May 10, 1996 |
| 96-112 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Cecil Field, Florida, and Realignment of the Aviation Physiology Training Unit to Naval Air Station Jacksonville, Florida | May 7, 1996 |

| <u>Report No.</u> | <u>Report Title</u> | <u>Date</u> |
|-------------------|--|-------------------|
| 96-108 | Defense Base Realignment and Closure Budget Data for the Naval Shipyard, Philadelphia, Pennsylvania | May 6, 1996 |
| 96-104 | Defense Base Realignment and Closure Budget Data for the Construction of the Overwater Antenna Test Range Facility at Newport, Rhode Island | April 26, 1996 |
| 96-101 | Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Barbers Point, Hawaii, and Realignment of P-3 Aircraft Squadrons to Naval Air Station Whidbey Island, Washington | April 26, 1996 |
| 96-093 | Summary Report on the Audit of Defense Base Realignment and Closure Budget Data for FYs 1995 and 1996 | April 3, 1996 |
| 94-040 | Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994 | February 14, 1994 |
| 93-100 | Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993 | May 25, 1993 |

Organizations Visited or Contacted

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller),
Washington, DC

Air Combat Command, Langley Air Force Base, VA

Directorate of Plans and Programs, Langley Air Force Base, VA

Air Force Materiel Command, Wright-Patterson Air Force Base, OH

88th Air Base Wing, Wright-Patterson Air Force Base, OH

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